
By: **Delegates Campbell and McHale**
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Assigned to: Ways and Means

Committee Report: Favorable with amendments
House action: Adopted
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CHAPTER _____

1 AN ACT concerning

2 **Baltimore City - Tax Credit Termination Date - Newly Constructed and First**
3 **Purchased Dwellings**

4 FOR the purpose of ~~repealing~~ altering the termination date applicable to certain
5 provisions authorizing the Mayor and City Council of Baltimore City to grant,
6 by law, a property tax credit against the local property tax imposed on newly
7 constructed dwellings or first purchased dwellings under certain circumstances;
8 and generally relating to the property tax credit for newly constructed dwellings
9 or first purchased dwellings in Baltimore City.

10 BY repealing and reenacting, with amendments,
11 Article - Tax - Property
12 Section 9-304(d)
13 Annotated Code of Maryland
14 (1994 Replacement Volume and 1999 Supplement)

15 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
16 MARYLAND, That the Laws of Maryland read as follows:

17 **Article - Tax - Property**

18 9-304.

19 (d) (1) (i) In this subsection the following words have the meanings
20 indicated.

1 (ii) 1. "Newly constructed dwelling" means residential real
2 property that has not been previously occupied since its construction and for which
3 the building permit for construction was issued on or after October 1, 1994.

4 2. "Newly constructed dwelling" includes a "vacant dwelling"
5 as defined in subsection (c)(1) of this section that has been rehabilitated in compliance
6 with applicable local laws and regulations and has not been previously occupied since
7 the rehabilitation.

8 (iii) "First purchased dwelling" means owner-occupied residential
9 real property that is the first residence owned or purchased in Baltimore City by the
10 applicant for a property tax credit granted under this subsection.

11 (iv) "Homeowner" has the meaning stated in § 9-105(a)(3) of this
12 title.

13 (2) The Mayor and City Council of Baltimore City may grant, by law, a
14 property tax credit under this subsection against the county property tax imposed on
15 newly constructed dwellings or first purchased dwellings that are owned by
16 qualifying owners.

17 (3) Except as provided in paragraph (4) of this subsection, a property tax
18 credit granted under this subsection may not exceed the amount of county property
19 tax imposed on the real property, less the amount of any other credit applicable in
20 that year, multiplied by:

21 (i) 50% for the first taxable year in which the property qualifies for
22 the tax credit;

23 (ii) 40% for the second taxable year in which the property qualifies
24 for the tax credit;

25 (iii) 30% for the third taxable year in which the property qualifies
26 for the tax credit;

27 (iv) 20% for the fourth taxable year in which the property qualifies
28 for the tax credit;

29 (v) 10% for the fifth taxable year in which the property qualifies for
30 the tax credit; and

31 (vi) 0% for each taxable year thereafter.

32 (4) (i) The Mayor and City Council of Baltimore may grant a property
33 tax credit for any newly constructed dwelling for which a building permit was issued
34 on or after July 1, 1994 but before October 1, 1994, provided that an application for a
35 property tax credit is submitted on or before August 31, 1998.

36 (ii) Subject to the limitations imposed under subparagraph (i) of
37 this paragraph, a property tax credit granted under this subsection may not exceed

1 the amount of county property tax imposed on the real property, less the amount of
2 any other credit applicable in that year, multiplied by:

- 3 1. 30% for the taxable year beginning after June 30, 1998;
4 2. 20% for the taxable year beginning after June 30, 1999;
5 3. 10% for the taxable year beginning after June 30, 2000;
6 and
7 4. 0% for all taxable years thereafter.

8 (5) Owners of newly constructed dwellings or first purchased dwellings
9 may qualify for the tax credit authorized by this subsection by:

10 (i) purchasing a newly constructed dwelling or first purchased
11 dwelling;

12 (ii) occupying the newly constructed dwelling or first purchased
13 dwelling as their principal residence;

14 (iii) filing a State income tax return during the period of the tax
15 credit as a resident of Baltimore City; and

16 (iv) satisfying other requirements as may be provided by the Mayor
17 and City Council of Baltimore City.

18 (6) The Mayor and City Council of Baltimore City may provide for
19 procedures necessary and appropriate for the submission of an application for and the
20 granting of a property tax credit under this subsection, including procedures for
21 granting partial credits for eligibility for less than a full taxable year.

22 (7) The estimated amount of all tax credits received by owners under this
23 subsection in any fiscal year shall be reported by the Director of Finance of Baltimore
24 City as a "tax expenditure" for that fiscal year and shall be included in the publication
25 of the City's budget for any subsequent fiscal year with the estimated or actual City
26 property tax revenue for the applicable fiscal year.

27 {(8) (i) After June 30, ~~2000~~ 2002, additional owners of newly
28 constructed dwellings or first purchased dwellings may not be granted a credit under
29 this subsection.

30 (ii) This paragraph does not apply to an owner's continuing receipt
31 of a credit as allowed in paragraph (3) of this subsection, with respect to a property for
32 which a tax credit under this subsection was received for a taxable year ending on or
33 before June 30, ~~2000~~ 2002.}

34 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
35 July 1, 2000.

